

**AMENDMENT NO. 1 TO THE
ASSET PURCHASE AGREEMENT
BY AND BETWEEN
THE CONSOLIDATED CITY OF INDIANAPOLIS,
MARION COUNTY, INDIANA,
IWC RESOURCES CORPORATION
and
NISOURCE INC.
Dated November 26, 2001**

THIS AMENDMENT NO. 1 (the "Amendment") to the Asset Purchase Agreement by and Between The Consolidated City of Indianapolis, Marion County, Indiana (the "City"), IWC Resources Corporation ("IWCR") and NiSource Inc. dated November 26, 2001 (the "APA") is entered into as of the 29th day of April, 2002, by and between the Consolidated City of Indianapolis, Department of Waterworks ("Waterworks Department"), IWCR and NiSource Inc.:

W I T N E S S E T H

WHEREAS, the parties have entered into the City, IWCR and NiSource Inc. have entered into the APA;

WHEREAS, pursuant to Section 8.3 of the APA, the City has assigned certain of its rights under the APA, including its right to approve an amendment to the APA, to the Waterworks Department effective as of April 29, 2000;

WHEREAS, the Mayor has delegated his authority to execute closing documents for the asset purchase transaction to the Chairman, Vice-Chairman and Secretary-Treasurer of the Department of Waterworks.

WHEREAS, pursuant to Section 8.3, NiSource and IWCR has consented to the City's assignment of certain rights to the Waterworks Department, including the City's right to approve an amendment to the APA;

WHEREAS, pursuant to the APA, IWCR will sell to the City or its designee substantially all of its assets used in the business of storing, supplying, distributing and selling water to the public in certain areas in central Indiana, including the assets of IWCR's subsidiaries;

WHEREAS, the assets of Western Hancock Utilities, LLC would be included in the sale to the City or its designee under the APA;

WHEREAS, IWC has entered into an agreement to sell its interest in Western Hancock Utilities, LLC to Precedent Utility Investments, LLC;

WHEREAS, Section 8.10 of the APA provides that the parties may, by mutual agreement, amend the APA in any respect; and

WHEREAS, the Waterworks Department, IWCR and NiSource Inc. mutually agree to amend the APA to reflect the above sale of IWC's interest in Western Hancock Utilities, LLC.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties agree as follows:

1. Pursuant to Section 8.10 of the APA, the APA is hereby amended to exclude the assets of Western Hancock Utilities, LLC from the Acquired Assets sold by IWCR to the City under the APA.

2. The Cash Purchase Price set forth in Section 2.6(a) of the APA shall be amended to reflect the sale of these assets to a third party, resulting in a decrease in the Cash Purchase Price of One Hundred One Thousand Two Hundred Dollars (\$101,200) for an amended Cash Purchase Price of Three Hundred Seventy Nine Million Nine Hundred Ninety Eight Thousand, Eight Hundred Dollars (\$379,998,800).

3. All capitalized terms used herein shall have the same meaning as set forth in the APA unless otherwise herein defined.

4. Except as expressly provided in this Amendment to the contrary, the APA shall continue in full force and effect according to its terms.

5. This Amendment shall become effective on April 29, 2002.

"WATERWORKS DEPARTMENT"

**CONSOLIDATED CITY OF
INDIANAPOLIS, DEPARTMENT OF
WATERWORKS**

By: _____

Name: John Mutz

Title: Chairman

"IWCR"

**IWC RESOURCES
CORPORATION**

By: _____

Name: David A. Kelly

Title: President

NISOURCE INC.

By: _____

Name:

Title:

23814_1